

March 8, 2006

TO: File

THRU: Susan White, Mining Coordinator

THRU: Lynn Kunzler, Reclamation Specialist

FROM: Beth Ericksen, Surety Coordinator

SUBJECT: Allred/Clinton Mine, PABCO Building Products LLC dba Interstate Brick Company, M/049/029, Utah County, Utah

This large mine reclamation contract will replace a transitional reclamation contract that expired on April 2, 2005. Because the Operator has received Division tentative approval of the Notice of Intention, a reclamation contract was signed and notarized by the operator instead of an addendum to the transitional reclamation contract, since it had already expired. Once final approval is granted by the Division, the large mine reclamation contract may be modified to reflect Division final approval.

The initial surety bond was approved by the Division on April 2, 2004 in the amount of \$37,000 issued by National Fire Insurance Company of Hartford. Since that time, Western Surety Company obtained bond liability. In November 2005, a bond rider was issued that increased the bond to \$121,200.00 and included verbiage to account for the incomplete but approved bond of April 2, 2004. However, that bond rider was issued by National Fire Insurance Company of Hartford of which had no further liability under this bond. As a result, the bond company was required to issue another rider identifying the correct surety company (Western Surety Company). Now that the bond has been correctly identified in the appropriate dollar amount and with the correct verbiage by the correct bond company, this reclamation contract is recommended for Division approval.

It is necessary to provide this explanation since the attached documents may be difficult to review, not only for the number of riders attached, but for the importance of knowing the transitional reclamation contract had expired and this permit has tentative Notice of Intention approval.